



## MEMORANDUM

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Date: September 12, 2024

To: Honorable Mayor and Commissioners

Via: Todd Stoughton  
Interim City Manager

From: Rodrigo Delostrinos  
Director of Transportation

Subject: Approving Sixth Amendment to Agreement City of Key West and Anderson Outdoor Advertising, Inc.

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### **Introduction**

Approving Sixth Amendment to Agreement City of Key West and Anderson Outdoor Advertising, Inc. increasing the revenue paid to the City of Key West and extending the term for five years in the best interests of the City pursuant to Key West Code of Ordinances Section 2-797 (4)b.

### **Background**

The City and Anderson Outdoor Advertising first entered into an Advertising Agreement on December 27, 1995, to add bus shelters on the City's fixed route bus transit service in Key West. Between 1999 and 2011, the agreement has been amended five (5) times expanding shelter placement to include Stock Island to Marathon, with the fifth amendment increasing the revenue share to City and adding bus benches at mutually agreed locations which are required to be compliant with all State, Local, and Federal regulations, including those related to safety, set-back placement, and Americans with Disabilities Act requirements. Anderson Outdoor Advertising is responsible for all maintenance and upkeep of the shelters to include trash removal.

The removal of all 60 bus shelters would eliminate protection from the sun and rain for the riding public. Additionally, the removal operation would have a significant negative impact on vehicular traffic as a crane that must be properly sited on the roadway would hoist each shelter upon a flatbed trailer. Most bus shelters are installed on arterial roadways such as North Roosevelt, South Roosevelt, and U.S. 1.

### **Procurement**

Currently Anderson Outdoor Advertising provides the City of Key West- Transit Department an annual average of \$137,000 (30%) in revenue. This amendment will provide an additional of \$22,833 for bus shelter advertising and \$62,400 in new revenue (Total \$85,233). This represents an overall potential 19% increase in revenue in Years 1 and 2. After Anderson recoups the startup cost of additional advertising service, the increase is 26% in Year 3 to 5 or \$116,433 from current revenue.

	Current %	Annual Average Revenue	Proposed %	Average Potential Revenue
Bus Shelters	30%	\$137,000	35%	\$159,833
New Service	Proposed Per Year 1	Estimated Annual Revenue	Proposed % Year 3	Average Annual Potential Revenue
Complimentary Maps	20%	\$18,000	30%	\$27,000
LCD Ads / Park and Ride	20%	\$12,000	30%	\$18,000
Interior Bus Ads	20%	\$14,400	30%	\$21,600
Brochure Racks	20%	\$18,000	30%	\$27,000
		\$62,400		\$93,600

**Recommendation**

Approving Sixth Amendment to Agreement City of Key West and Anderson Outdoor Advertising, Inc. increasing the revenue paid to the City of Key West and extending the term for five years in the best interest of the City.